



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE UNDER SECRETARY

13 Mar 01

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/IA
1080 Air Force, Pentagon
Washington, DC 20330-1080

SUBJECT: Performance Based Budgeting (PBB) Implementation Guidance

The Air Force Security Assistance community is embarking on a critical effort to build modern business decision-making processes for the planning, budgeting, and utilization of FMS administrative funds. The first step in this journey is the implementation of Performance Based Budgeting (PBB). The intent of PBB is to provide a vehicle to connect corporate strategy, planning, and performance measures when building and justifying our Foreign Military Sales (FMS) administrative budget. This process will affect out year (FY03 and beyond) resource allocation; therefore, the widest dissemination of information related to PBB and of this memo throughout the Security Assistance community is strongly encouraged.

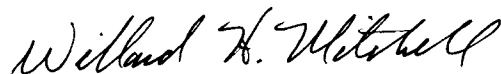
This year's budget cycle, FY 2002, will be utilized to create and submit our budget. Since this is a new process, SAF/IA and DSCA consider this year's exercise to be a learning experience, which requires full and open communication, feedback to successfully complete the cycle and improve the process. To ensure high-level support for this effort, the Air Force Security Cooperation Resources Board (SCRB) is being formed. The board will be responsible to provide the senior leadership needed to make this process a success.

At the staff level, SAF/IA and SAF/FM developed an Air Force PBB Working Group to ensure all users of Air Force FMS administrative funds are represented during the implementation of this process. Specifically, the Working Group includes representatives from SAF/IA, SAF/FM, HQ AFMC/IA, and AFSAT. All other MAJCOM budgets will be consolidated and incorporated into SAF/IA's submission.

At present, the FY 2002 PBB process is in its second phase, Planning and Programming. This phase includes the analysis of DSCA's Corporate Plan, development of an internal Air Force Plan, and preparation and participation at the Security Cooperation Programming Conference. Phase three of the PBB process is Budgeting, which will require cross-walking our administrative costs to six core functions: Pre-LOR, Case Development, Case Execution, Case Closure, Other Security Cooperation, and Organizational Support.

In order to provide the widest possible dissemination of PBB information, SAF/IA is populating its web site with information on the process and documentation available to date: <http://www.safra.hq.af.mil/extranet/default.htm>. There, users will find the PBB Implementation Plan and the Air Force execution timeline.

If you have any questions or concerns, contact Ms. Patricia Vestal, SAF/FMBIS at DSN 227-2511, commercial 703-697-2511 or email: patricia.vestal@pentagon.af.mil or Mr. Patrick Fox, SAF/IAPX at DSN 425-8985, commercial 703-588-8985, or email: patrick.fox@pentagon.af.mil.



WILLARD H. MITCHELL
Deputy Under Secretary of the Air Force
International Affairs

Attachments:

1. DSCA PBB Implementation Guidance
2. DSCA Corporate Plan

cc:

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